

# RALEIGH-DURHAM AIRPORT AUTHORITY

## MINUTES

January 17, 2002

Chairman Gibbs presided. Present: members Clancy; Lane; Teer; Toler and Winston. Absent: members Parker and Sparrow. Also present: Airport Director Brantley; Deputy Director, Operations Shackelford; Director, Customer Service & Organizational Support Damiano; Director, Major Capital Improvements Program Powell; Deputy Director, Finance, Business & Administration Gill; Deputy Director, Facilities Engineering & Maintenance Pittman; Emergency Services Manager Thompson; Administration Director Umphrey; Program Manager Quesenberry; Program Manager Cayton; Environmental Manager Gilkinson; Facilities Engineering Manager Jewett; Training Supervisor Bell; Parking Manager White; Maintenance Manager Fulp; Public Transportation Supervisor Kiser; Properties & Insurance Officer Quinn; Accountant Marion; Law Enforcement Manager Waters; Purchasing Assistant Edwards; Senior Auditor Jordan; Business Development Officer Hairston; Information Technology Manager Schiller; Communications Manager Kossoff; Communications Specialist Hamlin; Customer Relations Supervisor Kawiecki; Ground Transportation Manager Odom; Ground Transportation Coordinator Nye; Administrative Assistant Gray; Executive Assistant Mitchell and Attorney Tatum.

Guests: Vicki Hyman, The News & Observer; Melody Hunter-Pillion, ABC 11; Keith Bishop, Esq.; and various taxicab operators.

**APPROVAL OF AGENDA** – Attorney Tatum requested the addition of an Item 7, Lichtin Corporation Corporate Hangar Lease Agreement Assignment. There were no other additions or changes, and the agenda was approved as amended.

**APPROVAL OF MINUTES** – There were no changes to the minutes of the December 20, 2001 meeting, and they were approved as submitted.

**CHAIRMAN’S COMMENTS** – Chairman Gibbs had no comments at this time.

**OPERATIONS COMMITTEE** – Member Toler reported the Committee met on January 15, 2002 and discussed the following item:

1. Consideration of a staff recommendation that the Operator Agreements of National and Alpha Cab Companies not be renewed for 2002. At the December 20, 2001 meeting of the Authority, the Committee recommended that any renewal of the operator licenses for Alpha Cab #6 and National Cab Company be withheld for 30 days, during which the Operations Committee would meet again to review and discuss the matter and make a recommendation to the full Authority at the January 2002 meeting. Members of the Operations Committee were provided copies of the revised Rules and Regulations for Ground Transportation Operations that became effective January 1, 2001 and copies of the revised Chapter 4: Commercial Ground Transportation of the Authority’s Ordinances that became effective December 1, 2000. The Committee reviewed the facts regarding the lapses in the insurance coverages of Alpha Cab #6 and National Cab Company. Staff recommended the Taxicab Operator Licenses for National Cab Company and Alpha Cab #6 not be renewed under Section 15.2 of the Rules and Regulations for failure to provide continuous commercial auto liability insurance on all company vehicles. The Committee

took no action, thus, the recommendation of staff not to renew the Taxicab Operator Licenses of National Cab Company and Alpha Cab #6 was supported by the Committee.

Approximately 5,700 taxicab customers were exposed to risk due to the failure of these two operators to maintain their insurance coverage. The Authority must send the very clear message that letting insurance lapse is extraordinarily serious – it is not negotiable. It also must send the message that the taxicab operators must be responsible for their businesses. The Committee also discussed consolidating the taxicab operations. Ground Transportation Manager Odom reported that the taxicabs complied with the established schedule only on six out of fifteen days in the first two weeks of January 2002. Over the period of January 2, 3 and 4, the Airport received approximately 12 inches of snow. On January 3, 11 taxicabs out of 74 were on the Airport. By 6:00 pm on the evening of January 3, only three cabs remained on the Airport. At one point, 120 customers were waiting for transportation, with only three licensed taxicabs providing service. The Authority was forced to use approximately 50 off-airport cabs, dispatching approximately 300 trips. A limousine also assisted with passenger transportation. Every licensed taxicab operator was contacted. The operators indicated they had no control over the drivers of their cabs, and the drivers were unwilling to come to the Airport in the snow. The drivers told the operators they were afraid that if their vehicles were involved in accidents, they would not pass upcoming inspections. Staff requested authorization to investigate consolidation of the taxicab operations with the assistance of an outside consultant. The Committee directed staff to develop a plan to consolidate the taxicabs operations.

Attorney Bishop asked to speak on behalf of National Cab Company. Attorney Bishop reported he appeared before the Operations Committee on January 15, 2002 to present his client's case. Attorney Bishop contended that Mr. Ashwood did not receive proper notification that his insurance had been canceled. Mr. Ashwood has since gotten insurance coverage through another insurance company. Mr. Bishop maintained that at no time did Mr. Ashwood knowingly expose any passengers to any liability risks. He stated that not renewing Mr. Ashwood's license was extreme and that there were other sanctions that could be applied. Mr. Bishop said that Mr. Ashwood was addressing the matter of the notifications with the insurance company. Mr. Bishop asked that the Authority reconsider its position regarding National Cab Company and reinstate Mr. Ashwood's operator's license for National Cab Company.

Mr. Bishop thanked the Authority for allowing him to be heard. Chairman Gibbs thanked Mr. Bishop for his remarks. The Authority took no action, thus, the recommendation of staff not to renew the Taxicab Operator Licenses of National Cab Company and Alpha Cab #6 was supported by the Authority.

**LAW, FINANCE & PERSONNEL COMMITTEE** – Member Winston reported the Committee met on January 17, 2002 and discussed the following item:

1. Consideration of establishing a capital project and initial project budget for Taxiway D Relocation & Terminal C Apron Expansion, RDU #070379. Major Capital Improvements Program Director Powell reported a proposed capital project to be entitled "Taxiway D Relocation & Terminal C Apron Expansion". The scope of this project involves relocation of a segment of Taxiway D between Taxiway G and Taxiway F, including construction of a taxiway bridge and a service road bridge; reconstruction of a portion of and expansion of the Terminal C apron toward the northeast and reconstruction of a segment of Taxiway F; and realignment of International Drive through the project site. Tentatively, the pre-construction phase of the project will commence in February 2002, and the construction phase will commence in March 2003. The

estimated duration of the construction phase is 20 to 24 months. The recommended initial budget of \$5.6 million is intended to cover the pre-construction phase, which includes design development, preparation of construction contract documents and bidding. The preliminary estimated total cost of the project is \$60 million. Many of the project elements are eligible for application of FAA Airport Improvement Program grant and/or Passenger Facility Charge funds. The Committee recommended establishment of capital project #070379 entitled "Taxiway D Relocation & Terminal C Apron Expansion" with an initial project budget of \$5.6 million.

Member Winston made a motion, seconded by Member Lane, to approve the recommendation of the Law, Finance and Personnel Committee. Adopted.

**LAND & DEVELOPMENT COMMITTEE** – Member Teer reported the Committee met on January 17, 2002 and discussed the following items:

1. Consideration of a Change Order with R.N. Rouse & Company for New Authority Maintenance Facility, RDU #080379. Senior Program Manager Edmondson reported on Change Orders No. GC-5 and GC-6 with R.N. Rouse & Co. Inc. for the new Authority Maintenance Building. Change Order GC-5 addresses changes to the site and time delays for site work. After the project began, staff was advised that the access road would be classified as a dam by the state and would require additional maintenance and inspections on an annual basis. At that time, staff directed that the plan for the road be modified in order that it not be classified as a dam. Rock was discovered in the area of the storm water retention pond. This caused a delay for redesign to minimize the rock. An electrical cable serving FAA navigational equipment was encountered and had to be moved. Change Order No. GC-5 adds \$222,072 and 107 days to the contract for the additional rock removal and delays. Change Order No. GC-6 addresses numerous changes to the building's fire alarm system and sprinkler system, and adds additional firewalls that were required by the Wake County Fire Marshal and inspections office. Also included are additional security equipment and additions to the structural steel that became evident during production of the shop drawings. The amount of Change Order GC-6 is \$144,350. Funds are available in the project budget to cover the cost of the two Change Orders, which will increase the contract by \$366,422 from \$10,220,773 to \$10,587,195. The Committee recommended approval of Change Orders GC-5 and GC-6 with R.N. Rouse & Co. Inc.
2. Consideration of an Agreement with BellSouth for installation of telecommunications facilities in connection with Parking Garage IV/Airline Cargo & Warehouse Buildings, RDU #070319. Program Manager Quesenberry reported on the Agreement with BellSouth, which authorizes reimbursement of BellSouth's costs for permanent relocation of existing communications facilities associated with the construction of Parking Garage IV. Compensation will be reimbursement of actual costs with a ceiling amount of \$279,480. The Committee recommended approval of the Agreement with BellSouth.
3. Consideration of a staff recommendation for selection of a firm to provide construction management services for Taxiway D Relocation & Terminal C Apron Expansion, RDU #070379. Program Manager Cayton reported on selection of a firm to provide agency construction management services for the project involving relocation of a segment of Taxiway D between Taxiway G and Taxiway F, including construction of a taxiway bridge and a service road bridge; reconstruction of a portion of and expansion of the Terminal C Apron toward the northeast

and reconstruction of a segment of Taxiway F; and realignment of International Drive through the project site. The services to be provided by the selected firm will be provided in two phases: pre-construction and construction. The Request for Proposals was issued to 199 firms. The following nine firms submitted proposals in response to the solicitation: Birk Hillman Consultants, Inc.; DMJM Aviation, Inc.; Gannett Fleming, Inc.; The Louis Berger Group, Inc.; Parsons Brinkerhoff Construction Services, Inc.; Parsons Transportation Group, Inc.; Turner Construction Company; URS Construction Services; and ZHA Incorporated. Staff interviewed DMJM Aviation, Inc.; Parsons Transportation Group, Inc., URS Construction Services, and ZHA Incorporated on December 18, 2001. All interviewed firms presented teams in which the proposing firm acts as the prime consultant with other firms as sub-consultants for project elements. Staff ranked Parsons Transportation Group first, DMJM Aviation, Inc. second, and ZHA Incorporated third. The Committee recommended that staff be authorized to enter into negotiations with the first-ranked firm for an agreement to perform construction management services for the project.

4. *Consideration of an Agreement with URS Corporation for engineering and other professional services for Taxiway D Relocation & Terminal C Apron Expansion, RDU #070379.* Program Manager Cayton reported on the proposed Agreement with URS Corporation for engineering consulting services associated with relocation of Taxiway D and expansion of the Terminal C Apron. The Agreement authorizes pre-construction phase services, which include design development, construction documents preparation, and bidding or negotiation assistance for the relocation of Taxiway D and expansion of the Terminal C Apron. Design development services include associated surveying and geotechnical investigation services. Services related to the construction phase of the project will be authorized at the appropriate times by amendments to the Agreement. Compensation for services to be provided by the consultants will be based on unit costs against the fixed ceiling amount of \$2,762,183. Reimbursables will be for direct costs and are included in the fixed ceiling amount. The Committee recommended approval of the Agreement with URS Corporation.

Member Teer made a motion, seconded by member Winston, to approve the recommendations of the Land & Development Committee. Adopted.

**FAA GRANT AUTHORIZATION** – Major Capital Improvements Program Director Powell requested adoption of a resolution authorizing staff to submit an application to the Federal Aviation Administration to obtain an Airport Improvement Program grant. As a result of the events of September 11, 2001, Section 119 of the recently enacted Aviation and Transportation Security Act authorizes use of AIP funds to reimburse airports for the costs incurred in implementing additional operational security measures required by the FAA between September 11, 2001 and September 30, 2002. The costs of those additional operational security measures at RDU are estimated to be between \$600,000 and \$700,000. The resolution will authorize staff to submit an application requesting a grant in an amount between \$600,000 and \$700,000. RDU will be competing with other airports for the funds. The funds are limited and will not count against RDU's AIP entitlement funds. Staff requested adoption of such a resolution.

Member Clancy made a motion, seconded by member Teer, to adopt a resolution authorizing staff to submit an AIP grant application to the FAA in an amount not to exceed \$700,000 for reimbursement of costs associated with additional operational security measures incurred between September 11, 2001 and September 30, 2002. Adopted.

**PROGRESS ENERGY, INC. LEASE AGREEMENT** – Properties and Insurance Officer Quinn reported on a ground lease agreement between Progress Energy, Inc. and the Authority for a large aircraft storage hangar and attached office structure. The property is located at 1650 East International Drive. The term is 20 years from the date of beneficial occupancy. The tenant does not have the option to renew or extend. Fixed rents are subject to adjustment by the Authority on every third anniversary through the term, not to be increased by more than an average of 3% per year. The initial hangar/office ground fixed rent will \$2,639.16 per year; \$219.93 per month; the paved aircraft apron fixed rent will be \$887.52 per year; \$73.96 per month; and the paved vehicular parking fixed rent will be \$4,159.68 per year; \$346.64 per month. The pavement and grounds maintenance and operations rent is subject to annual adjustment each April 1, and initially will be \$1,344.00 per year; \$112.00 per month. In addition, the lease requires that it be amended within 90 days of the date the tenant assumes beneficial occupancy of the property to specify the date of beneficial occupancy. Progress Energy began moving into their hangar on January 10, 2002. Approval of the Lease Agreement, and Amendment No. 1 specifying the date of beneficial occupancy as January 10, 2002, was requested.

Member Toler made a motion, seconded by member Clancy, to approve the Lease Agreement and Amendment No. 1 with Progress Energy, Inc. Adopted.

**ALLTEL COMMUNICATIONS, INC. AGREEMENT** – Attorney Tatum reported on the agreement between AllTel Communications and the Authority in which AllTel agrees to modify and/or move a wireless communications facility located at 1250 Innovation Avenue in Cary. The facility constructed at the site includes a monopole communications tower at least 155 feet in height that the Authority contends is in violation of its height zoning ordinance. Based on the preliminary plan, location and elevations of RDU's planned third parallel runway, the AllTel Tower violates the height zoning ordinance and will impair the ability of RDU to safely operate that runway when completed, as well as impair the ability of the Authority to meet the FAA standards with which it is required to comply. The Agreement states that AllTel will commission and pay for an independent FAR Part 77 analysis to verify or refute the Authority's contention that the Tower, including antennae and other obstructions extending above its structural height, is in violation and to determine the exact height violation of the Tower for purposes of modifying the Tower to comply with all application ordinances. If the analysis confirms that the Tower violates the height zoning ordinance and/or the FAA standards for determining whether or not objects on and around airport property are hazards and/or obstructions to air navigations, AllTel agrees that it will lower or remove the Tower immediately and no later than 60 days after the date of the completed Part 77 Analysis. Approval of the Agreement was requested.

Member Teer made a motion, seconded by member Clancy, to approve the Agreement with AllTel Communications, Inc. Adopted.

**CORPORATE HANGAR CHANGES** – Attorney Tatum reported the Lichtin Corporation wants to assign its corporate hangar ground lease to L & P Airport Hangar, LLC. The single structure that has been constructed is divided into four hangars occupied by the Lichtin Corporation, P.K. Enterprises, Jetcraft and Martin Marietta Materials. Lichtin, in partnership, has formed a limited liability company L&P Airport Hangar, LLC. Lichtin requested approval to assign its lease to L&P Airport Hangar, LLC, and approval of financing undertaken by the limited liability company to make improvements incorporated into the hangar. Approval of a consent to assignment of the lease and a Memorandum of Lease establishing the date of beneficial occupancy as January 10, 2002 is requested. The lease also will be corrected to redesignate the portion of the premises that is in Lichtin's lease from the original to the part

they now have. An Estoppel Agreement for the benefit of the lender has been prepared which acknowledges the deed of trust on the improvements and establishes certain rights between the lender and the Authority should there ever be a default on the lease. A Party Wall Agreement has been submitted by all four parties that establishes the shared obligations in maintenance of the building. Attorney Tatum requested the Chairman be authorized to execute the documents as soon as the agreements are in final form.

Member Winston made a motion, seconded by member Lane, to approve the Consent to Assignment by the Lichtin Corporation to L&P Airport Hangar, LLC; approval of the Estoppel Agreement, the Memorandum of Lease and the Party Wall Agreement; and authorization for the Chairman to execute the documents. Adopted.

**MEMBER COMMENTS/REPORTS** – Member Teer thanked the staff for all of their hard work during the holidays and the recent snow storm. Member Toler echoed Member Teer's sentiments, and said he was looking forward to Deputy Director Shackelford's report on outrageous customer service. Member Winston congratulated staff on the great customer service. The results of a survey conducted last summer giving RDU high marks in the service, convenience and value provided category appeared in the January 4, 2002 edition of The Business Journal

**GENERAL COUNSEL'S REPORT** –Attorney Tatum requested a motion to go into Executive Session following the Airport Director's report for the purpose of discussing a pending legal matter.

**AIRPORT DIRECTOR'S REPORT –**

- Enplaned passengers for December 2001 totaled 319,282 versus 445,334 for December 2000 for a 28.3% decrease. Enplaned passengers for 2001 totaled 4,801,807 versus 5,210,297 for 2000 for a 7.9% decrease.
- Deplaned passengers for December 2001 totaled 295,858 versus 421,995 for December 2000 for a 29.9% decrease. Deplaned passengers for 2001 totaled 4,777,474 versus 5,228,288 for 2000 for an 8.6 % decrease.
- Enplaned air cargo for December 2001 totaled 7,864,138 pounds versus 10,441,529 pounds for December 2000 for a 24.7% decrease. Enplaned air cargo for 2001 totaled 117,334,345 pounds versus 129,338,841 pounds for 2000 for a 9.3% decrease.
- Deplaned air cargo for December 2001 totaled 9,802,585 pounds versus 11,499,852 pounds for December 2000 for a 14.8% decrease. Deplaned air cargo for 2001 totaled 125,922,278 pounds versus 135,270,196 pounds for 2000 for a 6.9% decrease.
- Weekday scheduled flight departures for December 2001 totaled 204 versus 301 for December 2000 for a 32.2% decrease.
- Aircraft operations for December 2001 totaled 18,101 versus 23,864 for December 2000 for a 24.2% decrease. Aircraft operations for 2001 totaled 274,013 versus 296,679 for 2000 for a 7.6% decrease.

- The number of vehicles exiting the terminal area public parking lots during December 2001 totaled 13,225 versus 210,254 for December 2000 for a 22.4% decrease. The number of vehicles exiting the terminal area public parking lots during 2001 totaled 2,308,077 versus 2,363,103 for 2000 for a 2.3% decrease.
- The number of taxicab trips taken during December 2001 totaled 9,194 versus 9,593 during December 2000 for a 4.2% decrease. The number of taxicab trips taken during 2001 totaled 133,049 versus 145,921 for 2000 for an 8.8% decrease.
- The explosives detecting canine has been named. "Mighty Mony" received her name as part of a raffle to benefit slain Clayton Police officer Lt. Monica Carey's family. Mony was Lt. Carey's nickname.
- Peak activity times for the parking lots were the Sunday after Christmas, New Year's Day and the day after New Year's Day. The peak transaction day was December 21, the Friday before Christmas. Peak revenue days were New Year's Day and the day after. This is an unusual pattern that has not occurred in the past.
- At the present time, Park and Ride Lots 2, 4 and 5 are closed. Park & Ride 2 is undergoing renovation. Park & Ride 4 is the primary overflow lot. These lots will remain closed through February and early March except when needed. Parking activity at this time of year is not sufficient to require the continuous use of these lots. Park & Ride 3 remains open. The staffing at these lots has been adjusted accordingly. When the lots are reopened, staffing will be adjusted again.
- Live scan fingerprinting equipment has been installed in the Authority's security badging office and will be ready for business tomorrow. Tenants will begin submitting applications for new employees at that time.
- Starting January 18, 2002, the congressionally-mandated screening of all hold baggage goes into effect. Congress preferred that it be done using high-tech equipment, but the equipment is not available and not installed at this time, thus, alternative methods will be used. All carriers are ready to begin -- some of them began doing it a while back. The process should be seamless and the public should not be impacted. Carriers are imposing cut-off times in terms of passengers checking in at ticket counters -- not less than 20-30 minutes prior to boarding.
- Things have gone quite well in Terminal A and A Extension since the installation of a fourth security checkpoint operating lane. Terminal C has experienced significant delays at the checkpoint, particularly since the resumption of service by Midway Airlines on December 19. The Authority is working with American to reconfigure the queue lines in order to provide additional lanes. American has been very cooperative in working with the Authority.
- Several more concessions opened for business over the holidays, and more are set to open very soon. A food cart is now operational in Terminal A to coincide with the flow of passengers in the early morning and late afternoon.

- US Airways opened its new club on December 17. It is very nice, and they did a great job with the renovations. Use of the club has increased significantly since the new facility was completed.
- Deputy Airport Director Shackelford reported that the Authority staff did an outstanding job during the recent snowstorm. At 4:00 a.m. on January 4, in the midst of using snow removal equipment to clear the runway, machinery malfunctioned and was taken back to the maintenance shop for repairs. Due to the astute observation of one of RDU's mechanics, he noticed that a piece of the equipment was missing. The Maintenance Department, together with Operations, Law Enforcement, Emergency Services and the Control Tower looked for and found the missing part. One flight was delayed only 4 minutes.
- Deputy Director, Operations Shackelford and Ground Transportation Coordinator Nye recognized the 14 cab drivers that remained on the Airport and serviced customers during the recent snow storm. Fourteen cabs came to the Airport in inclement weather. Three of those cabs remained on the Airport throughout the evening. The fourteen cab drivers, and one limousine driver, were recognized for providing excellent customer service. Mr. Shackelford presented each driver with a Certificate of Appreciation:

Airport Express Cab #1-Abdul Rahim  
American Cab #307-Mohamed Issa  
American Cab #313-Joseph Macharia  
American Cab #314-Ali Mohamed  
American Cab #316-Mohammed Cali  
Arusha Cab #12-Ntinginya Musisa  
DART #195-Toney Manuel  
D&J #04-Tiztaw Kassahun  
JP Taxi #101-Mohammed Bounagui  
JP Taxi #102-Tama Tsasa  
MVP Airport Express #501-Emmett Jaroush  
MVP Airport Express #503-Mahad Omar  
MVP Airport Express #504-Yohannes Kidanewold  
Silver Taxi #50-Mufeed Omary  
Capital Style Limousine-Steve Gilooly

- Deputy Airport Director Shackelford also praised the Ground Transportation management staff. Ms. Odom and Ms. Nye were instrumental in booking close to 300 trips in off-airport cabs for those customers stranded in the terminals during the recent storm.

Member Winston made a motion, seconded by Member Teer to go into Executive Session.

Member Clancy made a motion, seconded by Member Lane to return to Open Session.

Member Teer made a motion, seconded by Member Lane, to approve the preliminary understanding and terms negotiated by Airport Director Brantley and Attorney Tatum with American Airlines in December 2001, and to direct staff and counsel to negotiate a Master Agreement, Amended Lease, and necessary financing consistent with the terms negotiated.

Adopted.



**ADJOURNMENT** - There being no further business, Chairman Gibbs adjourned the meeting.

Respectfully submitted,

J. Ray Sparrow, Secretary

CORRECT ATTEST:

Kenneth D. Gibbs, Sr., Chairman